

We would like to talk to you about a matter of life and death - and the little bit of misery in between. Because in Insurance Branch that is what we are concerned with. We are interested in the lives of your loved ones who must carry on after your death. While you're still around, we are interested in doing what we can to alleviate some of that misery that goes on in the form of hospital bills that exceed \$100 per day when you have to have your gallbladder taken out or your tomboy daughter falls from the top of your largest maple tree and the medical bills seem to accumulate faster than the national debt.

The beginning of this morbid story as far as we are concerned goes back to pre CIA days when there was no Insurance Branch and no GEHA. Government employees were mostly left on their own to provide themselves with life insurance coverage and protection against medical expenses. They did so either as individual subscribers to insurance plans or by forming employee organizations or fraternal groups in order to take advantage of lower group rates and better benefits. When the Agency was born, its employees were participating in the WAEPA life insurance plan and the Blue Cross - Blue Shield hospitalization plan by paying their premiums on a hand collection basis to an employee of the Office of Finance. Payments were consolidated and sent to the respective plans. Employees filed their own claims directly with the plans.

As a result, Blue Cross was compiling a wealth of information on Agency employees, their dependents, and their medical histories and locations. In order to overcome this security nightmare, the Agency sought out an insurance carrier which would provide a group health insurance policy for its employees on a no-names basis. One company, Mutual of Omaha, was agreeable to such an arrangement and developed a plan for the Agency. However, before it could be put into effect another obstacle arose in the form of a District of Columbia insurance regulation requiring group insurance plans to have a minimum participation of 75% of those eligible. To disclose 75% of the Agency strength was obviously unacceptable. As a means of circumventing this problem, The Agency decided to form an "employee organization", the membership of which would be limited to employees of CIA. By so doing the new group health insurance plan would be written for the benefit of the "employee organization" members and would have 100% participation since the only purpose in joining would be to join the health insurance Plan. Consequently, on 29 June 1948 the Government Employees Health Association was accepted as a corporation under the laws of the District of Columbia and the Agency was in the insurance business. With a branch that was contracting for health insurance benefits and internally settling claims, it was inevitable that it would expand to other forms of insurance. Since that time some plans have come and gone, such as the PAMA hospitalization plan for parents. That plan phased out when Medicare came in. There was also the DENTA Plan which was a financial fiasco for the underwriter but a boon to all those who had bad teeth and were smart enough to join it while it lasted.

*3 Life Benefits Pd.
4 Health Insurance*

Who decides what plans will be provided and what the benefits and costs of those plans will be? The GEHA Board of Directors which you as members of GEHA elect each January.

(Slide)

They total 9 - two from each of the directorates and one from the Director's Office, for a representation of all employees of the entire Agency.

How does a no-names insurance plan function?? Primarily on faith.

In the case of life insurance.....

In the case of health insurance.....



STATINTL

Look to future Unpaid Legal Insurance"

C L A I M S itemized bills